

1 SAN FRANCISCO, CALIFORNIA, MARCH 8, 2004 - 9:10 AM

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3 MS. MILLER: Okay. First we'll talk a little bit
4 about the Commission program, and in this brief overview some
5 of your questions may get answered.

6 The Commission has been administering the
7 Universal Lifeline Telephone Service since, I believe it was,
8 1983 or 1984.

9 During these years the program has gone through
10 many changes. And at one point the marketing and outreach
11 was done by the individual telephone carriers, and they were
12 getting reimbursed by the California Commission for that
13 activity.

14 With the advent of competition, the Commission
15 decided that it wasn't economic use of the dollars to pay
16 these companies to advertise and compete against each other
17 for lifeline customers, so they created a competitively
18 neutral program -- marketing program. And I know some folks
19 asked what we meant by "competitively neutral," and that is
20 where the program does not market Universal Lifeline
21 Telephone Service on behalf of any telephone carrier. And
22 when customers call in and -- to the call center, which is
23 not a part of this contract but, just so you know, if they do
24 not know which carrier they want to use for their ULTS
25 service, then the call center generates a random list for the
26 customer to choose from. So that's what we mean by
27 "competitively neutral."

28 And no -- no particular telco carrier is mentioned

1 at all in any of the marketing campaigns.

2 Okay. And so the Commission has had variations on
3 the marketing program, and in the brief history that was in
4 the RFP explained that at one point Dean & Black had the
5 contract, and then at the moment the contract is held by
6 Richard Heath & Associates; and that contract will be
7 expiring on May 31st, and so the Commission is going to ahead
8 to implement a new marketing program, and it will be for the
9 term of one year with the possibility of two one-year
10 extensions. And the maximum value of the contract for each
11 year will be \$5 million.

12 And there's a lot of people -- hello?

13 Okay.

14 A VOICE: Yes?

15 MS. MILLER: I was just checking to make sure that you
16 could hear what we're saying.

17 A VOICE: Yes, I can hear.

18 A VOICE: Yes.

19 MS. MILLER: Okay. Thanks.

20 So the proposals that we're looking for -- we have
21 laid out a lot of requirements in the request for proposal.
22 There's a couple of changes that we will be making to this
23 proposal, and I will point them out to you and we'll also
24 print an addendum on the Commission website.

25 But basically the Commission is looking for new,
26 innovative proposals and not necessarily based on what has
27 occurred in previous marketing programs.

28 And, granted, there are not a whole lot of details

1 in the request for proposals because we did not want to
2 direct what your focus should be or your direction should be;
3 we want creative proposals that have ideas of the best way to
4 reach the target audiences.

5 So -- and then also there was a lot of questions
6 about the call center and the relationship between the
7 marketing contract and the call center contract.

8 The call center contract expires May thirty- -- I
9 have it in here --

10 MR. JEN: It's in here somewhere.

11 MS. MILLER: It's in 2006. I think it's May 31st,
12 2006.

13 And they are completely separate contracts, but
14 they're is a close working relationship between the call
15 center and whoever the marketing contractor is. Because the
16 marketing contractor is the side of the operations that goes
17 out and informs the target groups about the availability of
18 the service and the requirements, they work one-on-one with
19 individuals, either through community-based organizations
20 or -- or other avenues to educate the individuals, to help
21 them understand whether or not the program will work for
22 them, help them fill out informational forms that get the
23 information that they need to pass on to the call center in
24 order for the customer to sign up for service, and so there's
25 a lot of interaction there.

26 But they are separate contracts: The marketing
27 contract does not control any of the call center activities;
28 the call center does not control any of the marketing program

1 activities.

2 If there was, by any chance, an issue or conflict
3 or problem that arose between the two entities, that would be
4 mediated by the Commission. And so far that has never
5 happened. It's generally a very fruitful interaction because
6 both entities want to make the program successful.

7 So since we're talking about the call centers,
8 shall we just go into the call center questions first?

9 What do you think.

10 MR. JEN: We'll end up out of order, so we'll just
11 start from beginning --

12 MS. MILLER: Okay. He keeps me on the straight-and-
13 narrow path.

14 Okay. So that's a quick summary of what we're
15 about.

16 The first set of questions that we received were
17 questions about what we considered successful results by the
18 current contractor and asking us to identify particular
19 challenges which are not being met in the present marketing
20 program, et cetera.

21 The success of the current contractor has not yet
22 been established. Their contract does not expire until May
23 31st of this year. At that time they will submit to the
24 Commission a final report summarizing all the activities and
25 the results of their activities, and it won't be until that
26 point in time that the Commission determines any level of
27 success with that current contractor. So that information is
28 not available.

1 But we're not looking for folks to build off of
2 what they conceive as previous successes; we want folks to
3 propose to us avenues of marketing and outreach and education
4 that they believe that they can provide that would be
5 successful in reaching these target audiences.

6 So in regards to that we won't be getting any
7 guidelines about what was successful in the past.

8 All proposals are going to be reviewed and graded
9 on their own merits; they are not going to be compared to
10 previous activities that have been undertaken under
11 Commission contracts.

12 Okay. And then questions about current contractor
13 and subcontractors:

14 The current contractor is Richard Heath &
15 Associates, and, as we said, that contract expires on May
16 31st of this year; and their subcontractors are Panagraph,
17 Inc. -- that's P-a-n-a-g-r-a-p-h -- Inc., and SAESHE, which
18 is all capital letters, S-A-E-S-H-E.

19 And they do their -- their media and other type of
20 activities.

21 They also interact with approximately 45
22 community-based organizations who currently do outreach and
23 education.

24 And there was a question about when the contract
25 with Dean & Black Public Relations expired.

26 I don't know the exact date, but I know that they
27 came out with a report in 2002 that summarized their
28 activities.

1 I don't know if the Commission has copies of that
2 report that they can hand out.

3 If anybody is really, really interested, please
4 send me an e-mail, I'll see if I can find it. But it was a
5 very old contract and it's an old report, and I've been newly
6 assigned to this project and so far I've been unable to
7 unearth a lot of the past documentation for previous
8 contracts.

9 So -- but -- and again, we're not basing any of
10 the review and scoring of the proposals that will come in on
11 the 26th to what happened with Dean & Black.

12 Okay. Somebody referred to Section 2.1 where the
13 RFP asked for a detailed marketing plan as part of the
14 proposal, and they were asking whether or not this biases the
15 RFP towards the incumbent who has already performed the work
16 to develop this plan and has more detailed information than
17 any proposer would have.

18 Well, again, all proposals are going to be
19 evaluated on their own merits and scored on its own merit, so
20 if you have innovative ways to go out and collect the
21 marketing information and get the word out there, that's what
22 we're looking for in the proposal.

23 And -- okay. Richard Heath & Associates began
24 work on the contract mid-April of 2003, and the contract is
25 for one term, been extended by a couple of extra weeks to tie
26 up the final report activities.

27 Then, let's see.

28 The questions about the marketing board. It's not

1 a marketing board anymore; it's an advisory committee.

2 A few years ago there was a Senate Bill --

3 MR. JEN: 669.

4 MS. MILLER: -- 669 that was passed that took all of
5 the outside boards that were running public programs towards
6 the California Commission and required that all that activity
7 be moved into the Commission.

8 As part of that the Commission disbanded all of
9 the administrative committees, marketing boards, the
10 organizations that were running the programs and instead
11 created advisory committees that advised the Commission on
12 activities related to this program but have no decision power
13 over the activity.

14 I did put a list out here of the current advisory
15 committee members, and that information is also available on
16 the Commission website. But I do want to point out to
17 everybody that you should read the Conflict of Interest
18 Section 4.3.2 of the RFP where it states that a proposer will
19 be automatically disqualified for, among other things, any
20 involvement with or attempt to influence the deliberations of
21 an advisory board or committee assisting the CPUC.

22 And, truly, we take this seriously.

23 I know a lot of you work with community-based
24 organizations who may have relationships with the existing
25 board. You really wouldn't want to, you know, just talk them
26 up at a cocktail party about how good your firm is because if
27 somebody was overhearing that and reported that back to the
28 Commission, that would be a serious issue.

1 There have been conflict-of-interest issues that
2 have arisen with these programs that were difficult to work
3 out, and the Commission takes the conflict-of-interest part
4 of this RFP very, very seriously, so we wouldn't want anybody
5 to put themselves at risk.

6 Okay. We did take the call center operation and
7 their relationship to the marketing program a little out of
8 order, but I'll look through the questions here and see if
9 there were any that we haven't already answered.

10 We talked about that the entities work
11 cooperatively with each other; that essentially the purpose
12 of the marketing, education, and outreach program is to make
13 the potential customers aware of the program and identifying
14 interactive individuals who are eligible or may be eligible
15 and connect them to the call center; then the function of the
16 call center is to verify eligibility and connect the
17 individual with the carrier that will provide service.

18 And, of course, both entities are expected to
19 perform a wide range of activities that cause interaction
20 that we don't need to go into, but basically those are the
21 functions of the two entities with a high level of
22 cooperation.

23 Oh, there was a question about 1.3, seventh
24 paragraph, page 6, which it's paginated a little bit
25 different -- right. Okay. Thank you.

26 Assist ULTS program callers in
27 determining eligibility, filling out
28 the application and linking them with

1 their selected communications carrier
2 either by telephone or at the
3 community partner location that may be
4 better able to address the caller's
5 concerns or questions.

6 And the questioner stated that they thought that
7 this sounded like a call center activity and wanted some
8 clarification.

9 No, it is a marketing, education, outreach
10 function.

11 The up-front work with the individuals is carried
12 out under the contract that we're discussing today.

13 When the customer is transferred to the call
14 center, as it stands now, the information on that customer
15 has already been collected and transferred over to the call
16 center. So that is -- collecting that information,
17 interacting with the individual is a function of the contract
18 we're discussing today.

19 MS. DAVIS: Is that what the CBOs are doing?

20 MS. MILLER: That's what the community-based
21 organizations are doing. Yes.

22 A VOICE: Okay. What was the question regarding the
23 CBOs?

24 MS. MILLER: Oh, the questioner asked whether the
25 activity of interacting with the individuals and getting the
26 information was the function that the community-based
27 organizations were providing today, and the answer was yes.

28 THE VOICE: Okay.

1 MS. MILLER: Okay. There was a question about whether
2 or not the contractor that would be selected for this
3 contract -- whether they would be involved in the day-to-day
4 call center operations; and, again, the call center
5 operations are separate from this contract but there are
6 continuous interactions between the two entities.

7 Yes?

8 A VOICE: Can I clarify an earlier point --

9 THE REPORTER: Can we have people state their names
10 first and then --

11 MS. SWANSON: Melissa Swanson with Burson-Marsteller.
12 The relationship between the current marketing
13 contract and the call center, I am just a little bit
14 confused.

15 Does that contract or does that relationship
16 continue after a new contract has been assigned?

17 MS. MILLER: Yes.

18 The question was whether or not the relationship
19 between the existing contract -- marketing contract and the
20 call center, if that relationship continues with the new
21 contract, and the answer is yes. The call center contract
22 goes on until March 31st of 19- -- of "19" -- of 2006 -- I am
23 in another --

24 MS. SWANSON: So even if a new contractor is chosen,
25 the existing contractor remains on board.

26 MS. MILLER: Yes, they do.

27 MS. SWANSON: Okay.

28 MS. MILLER: And then the relationship will be

1 reestablished depending on how the new contractor proposes
2 getting the information to the call center and how they
3 propose to interact at the call center.

4 Okay. And, yes, the current call center can
5 provide information in all the targeted languages that are
6 listed in the RFP.

7 There was a question about who is actually
8 responsible for the accuracy and timeliness of responses.

9 There's a part in the RFP which talks about
10 answering 80 percent of the calls in 20 seconds.

11 And the call center is responsible for the
12 timeliness of answering the phone, and that 80 percent and 20
13 seconds is actually a Commission requirement of all
14 telecommunication carriers, and so they did put that onto the
15 call center.

16 However, the marketing program is responsible for
17 coordinating activities with the call center.

18 So, for example, if the marketing program went out
19 and did a big blitz that they thought was going to result in
20 a lot of calls to the call center, then they need to let the
21 call center know so the call center can staff accordingly.

22 That's an example of the type of interaction that
23 needs to occur between the contractor of this contract and
24 the call center contractor.

25 There was a question about how the call center
26 controls -- has no control over the amount of time the person
27 is on the phone, and that's not an issue here. They -- that
28 person may have gotten the "80 percent answered in 20

1 seconds" confused with actual time on the phone.

2 We would not want to time that because sometimes
3 the call center -- if the individual does not speak the
4 language that the carrier of their choice can provide service
5 in, then that call center needs to stay on the line for the
6 entire interaction and act as translators.

7 So the time that they spend on the phone is not a
8 concern and not anything that we measure.

9 So, let's see. I think that's it on the call
10 center.

11 Does anybody have follow-up questions on the call
12 center before we leave that area?

13 Yes, ma'am?

14 Please state your name and your company for the
15 record.

16 MS. BROWN: Keisha Brown, Lagrant Communications.

17 What are the hours of operation of the call
18 center?

19 MS. MILLER: The question is what are the hours of
20 operation at the call center.

21 I believe they are 8:00 to 5:00, but I really
22 don't know. I can put that down as a question that will post
23 the answer when we post any other answers on the website that
24 may come out of the discussion.

25 Okay. I am just writing that down.

26 Okay. Any other questions about the call center?

27 Yes, ma'am?

28 Please state your name and company.

1 MS. HAYNES: Anita Haynes, H-a-y-n-e-s. Hayday
2 Enterprises.

3 THE REPORTER: And spell the company name?

4 MS. HAYNES: H-a-y-d-a-y.

5 MS. MILLER: Yes?

6 MS. HAYNES: Now, a question. The call center.

7 The marketing aspect of the contract -- the
8 marketing contractor, are they responsible for the procedures
9 of the call center, or just the marketing plan on the call
10 center?

11 Like, say, where, you know, there's a new
12 procedure in place for marketing.

13 Is there -- do we -- does the contract also like a
14 plan for the answering of the phones and how to interact with
15 the callers?

16 MS. MILLER: The question is whether or not the
17 marketing side of the program develops any procedures for the
18 call center, and the answer to that is no.

19 The call center is a separate entity. They do all
20 their own procedures and how they interact with the company.
21 And again, the marketing side will let the call center know
22 if something's going to happen that may impact their
23 operations, but the whole running of the call center is a
24 separate entity.

25 Yes, ma'am?

26 MS. DAVIS: Darolyn Davis, Davis & Associates Public
27 Relations.

28 If the contractor is getting feedback from their

1 CBOs about issues related to call center -- to the call
2 center, is that something that the contractor is able to make
3 changes in the call center's process?

4 MS. MILLER: I would antici- -- the question is if the
5 contractor was getting feedback from the community-based
6 organization about issues with call center, would the
7 marketing part of the operation be able to make changes to
8 the call center procedures.

9 I would anticipate that in a case like that there
10 would be interaction between the marketing and education and
11 outreach side of the program with the call center where
12 collectively they would figure out a way to correct any
13 problems that the CBOs were pointing out. And if it was
14 going to be a major change in call center operations, then
15 that's something that they would collectively propose to the
16 Commission for Commission approval.

17 So it is a collaborative effort and -- and the
18 Commission has final approval over anything that is a major
19 change from current procedure.

20 Any other questions about the call center?

21 MS. DE LA TORRE: Yes, I have a question.

22 MS. MILLER: Yes. Please state your name and company
23 for the record.

24 MS. DE LA TORRE: Joely De La Torre, Naqmayam
25 Communications.

26 My question is to the call center and RHA having
27 the contract prior to there being a new group added on this
28 current RFP, which is Native Americans.

1 My question deals with primarily the issue of
2 would RHA, the current contract holder of the call center, be
3 willing to communicate with the new recipient of the
4 marketing contract if there was a new person, organization,
5 in dealing with the issue surrounding a new community that
6 was not on the current call center contract since this is
7 a new group added to the current RFP?

8 MS. MILLER: Okay. Did everybody hear that question,
9 or do you need me to repeat it?

10 MS. DAVIS: Would you repeat it.

11 MS. MILLER: Okay. The answer to that question would
12 be that the addition of Native Americans to the marketing
13 contract -- when the Commission made that addition, our
14 intention is that we would deal with that target group in
15 English because there's no way the Commission has the
16 capability of dealing with all of the Native American
17 languages. And since the call center already deals with
18 customers who speak English, it wouldn't be an additional
19 burden on the call center to interact with the
20 Native American population.

21 MS. DE LA TORRE: I guess my question is not to the
22 language aspect but its sensitivities in dealing with that
23 particular community since there are over 100 tribes in the
24 State of California.

25 So there is particular training and sensitivity
26 issues. That is my question.

27 It has nothing to do with language but has to do
28 with how the call center would be responsive to that

1 particular community and the diversity and need within that
2 particular community.

3 MS. MILLER: Well, again, in the spirit of cooperation
4 between the call center and the marketing, education, and
5 outreach aspect of the program, if there were issues that the
6 outreach side felt were important to address with the call
7 center, then, indeed, they would address that and they would
8 work that out.

9 Does that answer your question?

10 MS. DE LA TORRE: Yeah. I just want to make sure that
11 there is some cooperation and an opportunity to have a
12 dialogue with the current call center contract holder.

13 MS. MILLER: Whoever is the contractor that is
14 selected for this contract, they will have the opportunity
15 for extensive interaction with the call center as part of
16 carrying out their contract.

17 Okay. Any other call center questions?

18 (No response)

19 MS. MILLER: No. Okay.

20 Now we're going to move on to contract- and bid-
21 related issues, and Ivan will take the lead on that.]

22 MR. JEN: Okay. The first question was, "For the bid
23 price for each successive year do you require all the cost
24 detail format as listed on page 13 as required for the first
25 year's bid or simply a not to exceed total? And I guess
26 they're asking -- in the RFP we do ask that while the
27 contract is for the first 12 months with the option to extend
28 for each successive year, we ask that you list how much you

1 anticipate the marketing will cost for Year 2 and 3. And you
2 are not required to break it down. We just want an idea. A
3 not to exceed total is sufficient.

4 The other question -- let's see. And there was
5 another question along the same lines of, will the bid be
6 based on the first year amount or the three years total? And
7 again, the answer is the first 12 months. The option to
8 extend is purely at the Commission's discretion.

9 And the next area, "To comply with the DVBE
10 requirement," which stands for Disabled Veterans Business
11 Enterprise, "if a bidder already has identified a DVBE
12 supplier to provide services to meet the participation goal,
13 must a good faith effort also be conducted?" The answer is
14 no, and let me go off on a small tangent here. The DVBE is a
15 required program. Under state law, all contracts should
16 participate in it. Namely, we need at least your total
17 contract value to have at least 3 percent of the total be
18 performed by disabled veterans. If you are not able to do
19 so, you are required to go through what is called the good
20 faith effort. And the good faith effort is described in
21 length at the link listed in the RFP and which can be found
22 on the Department of General Services web site.

23 If you do not participate in the DVBE or fully
24 conform with the good faith effort, your bid will be thrown
25 out and be deemed nonresponsive. Many times, for a lot of
26 organizations that do not deal with the State, they encounter
27 this DVBE issue at the last minute and say, "We're going
28 to -- what can we do about it?," and they ask at the last

1 week, and my answer is, "Find a DVBE or else we have to throw
2 it out." We've thrown out many good proposals because they
3 do not comply with this. That is why I urge every one who
4 does not already have a DVBE to start looking for one.

5 The California State Contract Register where the
6 RFP was posted has a little button that allows potential
7 contractors or subcontractors to post their ad, small
8 businesses with their little niche who want to team together
9 with others. If you are a disabled veteran you're allowed to
10 post on that area for free. I believe it's \$75.

11 MS. MILLER: No. It's \$25.

12 MR. JEN: Sorry. \$25 to post an ad. And that may be
13 one place to look for DVBEs. Okay. So once again, make sure
14 you comply with the DVBE requirement for this RFP. Now, if
15 you were to, say, get 2 percent or 1 percent DVBE commitment,
16 you still have to go through the good faith effort because in
17 order to satisfy DVBE it must be 3 percent of your total
18 contract amount.

19 The next area, question was, on page 19 under
20 Phase 4, "You reserve the right to reject the lowest bidder
21 if you believe the vendor will be unable to fulfill
22 identified tasks with the amount listed in the bid. What
23 process do you use for determining this?" The purpose of
24 this provision is to deter unreasonable, quote, unquote,
25 "lowballing" and misrepresentation during the selection
26 process. We don't want a bidder to say, "We can do X, Y and
27 Z," so that we believe they will be fully qualified to
28 perform, then come in with a bid about, oh, say, \$5,000, to

1 give the extreme example, and then we would have to start --
2 and then the burden is on -- we will start second guessing,
3 thinking, "How can you do all this with \$5,000?" And we will
4 have, I guess a hearing, that's the best way to start, with
5 the intent of awarding, to ask you to demonstrate that your
6 bid, the RFP and your proposal mesh together. And after the
7 hearing, if the Commission can reasonably conclude that your
8 proposed work product and bid were intended to mislead us, to
9 draw us to award the contract to you even though you don't
10 plan to fulfill it, we reserve the right to throw your bid
11 out, because we've had other cases where the vendor proposes
12 to do all this type of work and then gives us an unreason --
13 this ridiculously low bid where the hours committed to the
14 project do not conform to what they were planning to do. And
15 that's the main purpose. I'm hoping that every one here will
16 make reasonable bids and not try and game the system because
17 a lot of people will be unhappy and it's going to be a
18 drawn-out process.

19 On page 18, Phase 2, on the pass/fail section,
20 "Please explain how timeliness and providing services and
21 quality of prior technical reports will be evaluated or
22 determined. Are examples of the proposer's prior technical
23 report to be submitted, and if so, in what quantity?"

24 MS. MILLER: Okay. Yes, I can. The quantity is not
25 determined. Basically if a firm has only one or two
26 examples, because they may be new to this business, then they
27 should submit those one or two examples. If a firm has
28 20 examples, then they should pick probably three of their

1 best examples that demonstrate their ability to provide the
2 type of work that we're looking for. So we just expect you
3 to do your best effort, and we don't want 20 examples of your
4 work. We want examples of your best work.

5 And in regards to what we mean by a "technical
6 report" is some type of work product that you have produced
7 that reflects some type of activity that we're asking for in
8 the RFP. So for example, with the reporting requirements in
9 a previous project, if you've had to do some research or a
10 survey or measurement of some type of activity and then
11 report that in a report, then that would be an example of a
12 type of technical report that we would like to see. So
13 basically what we're looking for there are examples of work
14 that are related to what the type of activities that we're
15 asking you to fulfill in the RFP, and we would like to see
16 your best examples of that type of work.

17 I think that covers that. Okay. Oh, and then the
18 next one is, "How should proposers demonstrate timeliness in
19 providing services?" And on page 15 of the RFP we request
20 that proposals include previous experience of the contractor
21 that includes ability to complete a project on time and
22 within original time frame. And examples of this ability
23 could be, like an example, could be documentation of a time
24 line proposed in a previous project and documentation that
25 you met that time line, that you successfully met that time
26 line. So something that -- or in your references if you did
27 work for somebody and they're willing to add something that
28 they completed all the milestones by the dates agreed upon,

1 some way to demonstrate that you have experience and ability
2 in meeting your time commitments and time frames.

3 MR. JEN: The next question was, "Does the lead agency
4 need to have a certain amount of billings to be the lead for
5 the contract?" The request for proposal does not require
6 that. However, the lead agency should have a strong grasp of
7 all the aspects of the marketing program, and they will be
8 the primary contact between the Commission and the marketing
9 team. If the contract is strong, there will be provisions
10 regarding subcontractors. The PUC will not be speaking to
11 the subcontractors necessarily. We will be speaking to the
12 primary contractor. It's up to the primary contractor to
13 ensure that their subcontractors perform -- conform to the
14 terms of the contract.

15 The next question was, "There is no section title
16 SOW in the RFP." And I'm assuming it's either Statement of
17 Work or Scope of Work. "So are we to assume that responses
18 in regards to 1.5, Minimum Qualifications For Proposers, 2.1,
19 Marketing Plan and Work Schedule Requirements, 2.2, Cost
20 Detail Format and Requirement, and 2.3, Contractor Experience
21 and Staffing Proposal, represents the required information?"
22 I would say that the marketing teams should probably consider
23 1.3, Purpose and Description of Services, as a primary
24 purpose of the RFP. However, the other sections identified
25 earlier are also critical. Well, that was based on the
26 assumption that SOW was Scope of Work or Statement of Work.
27 If it means something else, you should ask later today.

28 There was a DVBE question. I answered that.

1 "There does not appear to be a mandatory intent to bid
2 letter; is that correct?" That is right. Okay.

3 MS. MILLER: And then somebody asked, on page 7 it
4 states that, "The contractor will report directly to the
5 director of Telecommunications Division and the director of
6 the Commission Consumer Public Information Division. Are
7 those two individuals solely responsible for approvals, or
8 will the contractor be presenting to a larger group such as
9 the marketing board for approvals of campaign element?"
10 First off, as I mentioned earlier, the marketing board is no
11 longer in existence, and the advisory committee, the
12 Commission may ask them for input, but then again, they may
13 not.

14 The two directors have the ultimate authority of
15 approval, but the general practice is that the contractor
16 will present to staff that are directly involved in the
17 project and then the staff will make a recommendation to the
18 directors. If it's a key element or a particularly costly
19 element, then the directors may choose to participate
20 directly, but that is completely to their discretion.
21 Generally they leave it for staff to make a recommendation.

22

23 MR. JEN: All right. "While you requested that each
24 bidder submit a work plan time line and budget, what is the
25 total dollar amount not to be exceeded for the contract
26 year?" That should be your cost proposal. Potential teams
27 are to submit bids for a contract for a duration of 12
28 calendar months. Then the next one was, page 12 refers to

1 the proposers conference and appropriate fees. "What are the
2 appropriate fees?" These fees are what the CPUC normally
3 charges for reproduction costs such as transcripts, copies.
4 I think it's \$0.25 a page, and it may be I think \$10 an hour.

5 MS. MILLER: And then also postage. A lot of the
6 information can be found on the Commission web site. A lot
7 of decisions and resolutions and discussions are available on
8 the Commission web site. So you might want to do a little
9 surfing on that site before you start asking for lengthy and
10 expensive documents. Okay.

11 On page 18 of the RFP, "In Phase 2 of the scoring
12 section is reserved for quality of prior technical reports.
13 And can you elaborate on the scoring parameter?" Not really.
14 We do have a more refined scoring system that we will be
15 using in evaluating these reports, but basically you have to
16 use your own judgment about what you think is quality and
17 what type of technical report you want to present to the
18 Commission as an example of your work. And it's not
19 necessarily flashy use of graphics. It also includes how the
20 information is presented and how conclusions are drawn and
21 recommendations are made. So there's various aspects to what
22 can be considered quality.

23 There are a couple of questions in here that I'm
24 going to have to -- and I'll go through and mention them as
25 we get to them, that I'm going to have to still work on
26 getting the answers and post on the web site along with the
27 transcript. But before we move into measurement recording
28 and data gathering, does anybody have further questions about

1 the actual contractual aspects of the RFP?

2 MS. FLINT: Kendall Flint, Woodenship Advertising and
3 Public Affairs. I was curious if the current contractor also
4 had an opportunity for, after the first year, to have that
5 contract renewed for Year 2 or Year 3 or if that contract was
6 only for a 12-month period.

7 MS. MILLER: The question was whether or not the
8 existing contractor had an opportunity for an extension of
9 the contract, and the answer is no. That contract was for a
10 one-year period. So the contractor, we had no options to
11 extend. Yes, sir.

12 MR. PONCE-GARCIA: Aracel Ponce-Garcia, Latino
13 Journal. Are all impacted communities considered equal in
14 terms of contract program, funding, budget? In other words,
15 are all target markets' budget the same dollars just by
16 market research findings that indicate some communities are
17 more impacted due to the size and the language, locations and
18 other relevant demographics and conditions? Is that a
19 consideration?

20 MS. MILLER: The question is whether or not the
21 targeted groups are all funded equally in the contract. And
22 the answer to that is that is up to the proposer. If the
23 proposer has identified some of the target groups as having
24 the need for more outreach and education than another target
25 group, then they should put that in their proposal and
26 provide justification for their rationale for proposing that.
27 So that we have not determined that at all. That is up to
28 you folks. Any other questions about --

1 MR. CRACAS: David Cracas with Pierpoint-Martin. The
2 DVBE 3 percent requirement, should that be based on the
3 5 percent, the 5 million maximum, or should it be based on
4 the amount of our bid?

5 MR. JEN: It should be based on the amount of your
6 bid.

7 MR. CRACAS: Okay.

8 MS. MILLER: Okay. Any additional questions on
9 contract issues?

10 (No response)

11 MS. MILLER: Okay. We'll move on to measurement
12 reporting and data gathering questions. On page 6 of the RFP
13 you state that, "The ULTS goal was 95 percent penetration
14 across all eligible households. How is this penetration rate
15 calculated?" I'm not exactly sure how the Commission
16 calculated that, and that's one of the questions I'll check
17 into. I know it was calculated quite a while ago, and it
18 hasn't been recalculated recently, and I think that may have
19 been, but I'm not certain, which is why I'll double-check, I
20 think that 95 percent penetration rate came out of the Dean &
21 Black report. Again, I will check on this, and I will post
22 the answer on the web site.

23 And on page 7 of the RFP the tracking report
24 criteria refers to enrollment data, and as well on page 8 of
25 the RFP the second bullet refers to obtaining enrollment
26 information by zip code or other geographic areas and by
27 demographic element. "Will the carriers be mandated to
28 provide monthly information on these data elements to the

1 marketing contractor?"

2 Now, first off, let me give a little explanation.
3 One, where in the RFP we put enrollment data, and we'll post
4 this on the web site, it really should read, "Successful
5 transfer to the call center," because the call center and the
6 contractor are not able to track enrollment data. That would
7 be done by the carriers, because once the call center hands
8 the call off to the carrier, we do not track whether or not
9 that customer ultimately ended up on Lifeline service or at
10 the last minute they decided they didn't want it or something
11 else came up to keep them from getting the service. We would
12 very much like to have the carriers track enrollment data,
13 but that would require Commission decision or resolution to
14 get them to do that. That's not something that they're going
15 to do on our suggestion that it would go a good thing to do.
16 So at this point in time that is not in the works for the
17 Commission to require the carriers to do that, but as I had
18 said, in the RFP I will go through and change the enrollment
19 data where we refer to collecting enrollment data or
20 reporting on enrollment data by the contractor to track
21 successful transfer of calls to the call center.

22 And then that responds to the next question, which
23 is, "If not, how will the marketing contractor obtain this
24 information from the carrier?" We will not require the
25 marketing contractor to obtain this information from the
26 carrier.

27 On page 8 of the RFP the contractor is requested
28 to provide a research report on residents potentially

1 qualifying for ULTS and those who may not qualify by zip
2 code, area code or other means. "What is your expectation on
3 the depth of this report in terms of whether existing data is
4 utilized to analyze the numbers, or are you seeking a new
5 research effort?" Well, I know that the existing data out
6 there is a little bit dated because most people are working
7 off the 2000 census data, but that would -- one thing that
8 we'll be looking for is use of existing data and any
9 innovative approach that the proposer may suggest to obtain
10 that data, any ways they think that they may be able to shed
11 some light for the Commission on where the pockets of
12 targeted groups are that need service.

13 For the research report requested on page 8 of the
14 RFP, well, the CPUC will be providing data from the carriers,
15 and again, no, we won't be providing carrier data, but what
16 they're asking about on their research report there is where
17 we ask for them to report back on whether the customer
18 declined service and for what reason or what part of the
19 outreach or media alerted them to the availability of the
20 service and made them call in, and we would expect that those
21 questions would be made part of the interaction with the
22 individuals as they work with them to do a successful
23 transfer to the call center. So the proposer would work that
24 into their proposal of how they're going to interact with the
25 individuals.

26 "Is there a new PUC mandate that will require
27 carriers to share this information with the contractor?" No.
28 It would be nice, and maybe sometime we'll get around to it,

1 but okay.

2 Then on page 10, bullet 2, we refer to sustainable
3 long-term increases in participation and how will this be
4 measured, and the answer to that is we are going to delete
5 part of that bullet, and we will be posting this on the web
6 site. The bullet reads now -- on my copy it's page 10 and
7 11. The pagination is a little different for the folks, I
8 think, who got it off of the Department of General Services
9 web site. But it's the bullet that starts, "Continuously
10 consider and evaluate outreach strategies and recommend
11 innovative strategies for reaching eligible ULTS customers in
12 ways that achieve sustainable long-term increases in
13 participation in ULTS among those customer segments.
14 Identify problems and make recommendations to CPUC." We will
15 be deleting the words where it starts in the second sentence,
16 "In ways that achieve sustainable long-term increases in
17 participation in ULTS among those customer segments." And so
18 that bullet will read, "Continuously consider and evaluate
19 outreach strategies and recommend innovative strategies for
20 reaching eligible ULTS customers. Identify problems and make
21 recommendations to CPUC."

22 There's a question, "Is a research company being
23 used, or does the State have its own practices in place?" I
24 believe that is referring to the bullet about the sustainable
25 long-term increases in participation. If that is inaccurate
26 on my part, when we have the follow-up questions on the
27 section, if somebody wants to let me know if that's in
28 relationship to that or if it's an independent question, and

1 if so, I'm a little confused and would need some
2 clarification.

3 And then, "Will the data gathered since the
4 inception of the ULTS marketing activities, which is page 4
5 of the RFP, be made available for our review or to make
6 copies?" No. We will be deleting that line because, as I
7 explained earlier, the current contract does not expire until
8 May 31st. And so the total activities and the result of
9 those activities will not be available until after that date.
10 So on my page 5 in the paragraph, the second paragraph above
11 1.2, Availability of Documents, the paragraph that starts
12 with, "Thus with the completion of interim marketing Phases 1
13 and 2," the second sentence in that paragraphs that reads,
14 "The long-term marketing program will be based on all the
15 data/information gathered since the inception of the ULTS
16 marketing activities," that sentence will be deleted.

17 MR. GIPSON: It will be deleted?

18 MS. MILLER: It will be deleted.

19 MR. GIPSON: This is Mike Gipson.

20 MS. MILLER: Okay. Yes. And I will be posting an
21 addendum on the Commission web site, and it will also go on
22 to the Department of General Services web site.

23 Moving on from there. Page 6 of the RFP indicates
24 a marketing plan that penetrates 95 percent of eligible
25 households. "In the past how has the penetration rate been
26 measured?" Well, there will be similar methods of
27 measurement, and as I mentioned earlier, that's a question
28 that I will be answering as to how the 95 percent was

1 measured. And also, "What was the subscriber rate for each
2 target audience when the campaign began?" I will see if I
3 can find the answer to that question. And, "What is the
4 current subscribership rate as a result of the contract?"
5 Well, we won't know the actual subscribership rate because
6 we're not able to track the actual enrollments, but after the
7 contract is complete and the final report is in, we will be
8 able to indicate the number of successful transfers to the
9 call center for the different target populations, but the
10 subscribership rate is not something that we'll be able to
11 report back on.

12 If you give me one minute, a public advisor I
13 think wants to clarify something with me, and then we'll take
14 general questions on this issue.

15 (Off the record)

16 MS. MILLER: Does anybody have any follow-up questions
17 on the section of measurement reporting and data gathering
18 questions?

19 (No response)

20 MS. MILLER: Does anybody on the phone have any
21 follow-up questions on this section?

22 (No response)

23 MS. MILLER: Then we'll move on to the next section,
24 which is General RFP Questions. There was a question about
25 1.3, Purpose and Description, second paragraph, page 6,
26 "Please clarify the 11 target groups." 12 are mentioned at
27 the top of page 5.]

28 This social agency and welfare recipients, which

1 I believe is the 12th target group that this questioner is
2 referring to, they're not actually a target group. We're
3 looking for possible ways to reach the target group by
4 developing relationships with agencies that work with
5 the social agencies and welfare agencies who deal with people
6 whose incomes tend to fall in the same range as those who are
7 eligible for ULTS.

8 So to clarify the --

9 MS. DAVIS: Which one is that?

10 MS. MILLER: It's on the top of page 5. And
11 the second -- well, it's the top bullet on my page 5.
12 The top full bullet. It's the one that we moved the one
13 sentence from.

14 And the last sentence in that bullet says:
15 The long-term marketing plan contractor is expected to target
16 the ULTS program to all eligible low-income segments of
17 the population including, but not limited to, African
18 American, Cambodian, Chinese, Filipino, Hispanic, Hmong,
19 Korean, Laotian, Vietnamese, Native Americans, seniors,
20 social agency and welfare recipients.

21 And what I'm saying is social agency and welfare
22 recipients are kind of an umbrella group over the specific
23 target groups.

24 1.3, Purpose and Description paragraph, page 6:
25 Please clarify.

26 I believe it's the bullet -- and whoever posed
27 this question can clarify it at the end of this discussion if
28 this isn't the correct response -- or correct.

1 Develop a valid and reliable performance
2 measurement plan to assess the accomplishment --

3 Oh, wait. That's not it. I'm sorry.

4 UNIDENTIFIED SPEAKER: I'm sorry. Where are you at
5 now?

6 MS. MILLER: I'm trying to find my place, too. So
7 bear with me for a moment.

8 UNIDENTIFIED SPEAKER: Sure.

9 MS. MILLER: I believe it was develop -- it's on page
10 7 of my copy, and it's the bullet that reads:

11 Develop an appropriate program of
12 reimbursement for community
13 organizations that participate in
14 the education and enrollment of
15 eligible customers into the ULTS
16 program. The details of such program
17 shall be presented in the RFP, along
18 with a proposed budget specific to
19 the proposed program of reimbursement.

20 And yes; there is a form of that going on now.
21 The RFP requires that at least one-third of the budget go
22 towards outreach. So outreach can consist of several
23 activities.

24 The RFP also mentions using community-based
25 organizations. And the decision that created this marketing
26 program mentions that they want marketing folks to use
27 community-based organizations to reach the target audiences.

28 The extent to which you use the community-based

1 organizations should be part of your proposal along with the
2 associated budget.

3 On both the energy side of the Commission and the
4 telecommunications side of the Commission, when we use
5 community-based organizations to do outreach for us, there
6 generally is some type of reimbursement program for them.
7 But it's up to the proposer to develop that program of
8 reimbursement and budget for it and basically anticipate
9 the amount of activity that the CBOs may be generating and
10 figure out a budget for that as part of their outreach plan
11 and budget.

12 Yes, sir.

13 MR. VILLET: Jonathan Villet, OneWorld Communications.

14 May we know the existing program of reimbursement,
15 how it works?

16 UNIDENTIFIED SPEAKER: Jon, speak up.

17 MS. MILLER: No. I -- that hasn't been publicly
18 given.

19 UNIDENTIFIED SPEAKER: What was the question?

20 MS. MILLER: The question was whether or not --
21 whether they could know the current program of reimbursement
22 for community-based organizations; and I said no. That has
23 not been provided to any organizations.

24 And since we want parties to come up with their
25 own proposal, there really is no reason to make that existing
26 process known.

27 Okay. 1.4, paragraph 3 on page 9: Is the CPUC
28 requesting just one midpoint oral presentation or more? And

1 is it one or two per fiscal year, or how many?

2 We are requesting one midpoint presentation. What
3 we would try and do is schedule it at a regular -- for a
4 regularly scheduled advisory committee meeting so the
5 presentation could be made to the Commission and the advisory
6 committee at the same time.

7 The requirement is mainly to make the presentation
8 to the Commission so if the Commission could not coordinate
9 it with the advisory committee, then the presentation would
10 be made to the Commission.

11 So there's a requirement for a mid-contract
12 presentation and then end-of-the year final presentation.
13 And those are the presentation requirements.

14 MR. GIPSON: This is Mike Gipson. So are you
15 indicating then that if the advisory board is not available,
16 then it will just be done to the full Commission rather than
17 the advisory board?

18 MS. MILLER: Not necessarily the full Commission. We
19 would expect that effort be made to coordinate the meetings.
20 But I know that the Department of Finance has cut back
21 severely on the number of meetings advisory committees can
22 have in any given year.

23 So at this point in time, we can't absolutely
24 commit that we would do it in conjunction with an advisory
25 committee meeting because we have no idea how often those
26 would be occurring.

27 So, in the past when we've had a presentation here
28 at the Commission, we have invited most of the key parties at

1 the Commission, including representatives of
2 the Commissioners, to come and hear the presentation. And
3 not everybody takes us up on the invitation, but some do.

4 Does that answer your question?

5 MR. GIPSON: It does.

6 I would just make a recommendation that if we
7 could make sure that if a special presentation is given that,
8 of course, the amount of work is diligent and hard as
9 possible to coordinate it.

10 MS. MILLER: Excuse me, sir.

11 MR. GIPSON: [Inaudible]

12 THE REPORTER: I'm sorry. I can't hear you. Can you
13 start that again?

14 MS. MILLER: I'm interrupting him.

15 Excuse me, sir. This is an opportunity to answer
16 questions, not accept recommendations from potential
17 proposers. So I'm -- I think that you're going out of
18 the bounds of the purpose of this meeting.

19 MR. GIPSON: Well, I'm basically asking the question
20 to state the fact that I think it's important that
21 the advisory board that I'm a member of participate in this
22 process.

23 MS. MILLER: And I understand that, sir. But this is
24 not the opportunity for parties to make recommendations to
25 the Commission. This is the opportunity to --

26 MR. GIPSON: Well, I'm making it as a statement in
27 the record.

28 MS. MILLER: Sir, excuse me, please.

1 I understand you're a member of the advisory
2 committee, but your recommendation is not within what this
3 bidders conference is here to accomplish. So if you would
4 like to speak to me off-line, that would be fine, but it's
5 not appropriate for right now. Thank you.

6 Okay. Thank you.

7 Moving on.

8 Does that answer everybody's question about
9 the frequency of presentations?

10 (No response)

11 MS. MILLER: Okay. 2.1 on pages 12 and 13,
12 description of all the elements of the marketing campaign,
13 et cetera.

14 This should ideally be done in conjunction with
15 a review of all the market research materials available and
16 results of previous efforts with ULTS staff. We understand
17 that some of this material may be available, but a thorough
18 review would appropriately be part of the project.

19 What level of detail is the CPUC requesting here?

20 And we're asking you for the details of your
21 marketing plan. And we're not asking you to base it on
22 the results of the previous marketing plan.

23 So -- and as I made clear earlier, existing
24 material based on the current plan is not really available
25 because the final material has not been developed. So we're
26 asking for the details of your marketing plan and not asking
27 you to carry forward from what exists now.

28 Okay. What is the annual funding amount for this

1 program?

2 It's a maximum of \$5 million per year.

3 On page 6 of the RFP, the seventh bullet refers to
4 filling out the application. And you asked: Are you
5 referring to a telephone carrier application, or is there a
6 general application that has been created?

7 Oh, I'm sorry.

8 MS. DAVIS: Where are you? I'm sorry. I missed what
9 page you're on.

10 MS. MILLER: Page 6 of the RFP. The seventh bullet.

11 MR. JEN: It says: Assist ULTS program callers in
12 determining eligibility, filling out the application, and
13 linking them with their selected telecommunications carrier
14 either by telephone or at the community partner location.
15 That may be better able to address the caller's concern or
16 question.

17 MS. MILLER: And the answer to that is no; we're not
18 referring there to a telecommunication carrier application.
19 We're generally referring to an application or form that
20 would be created by the contractor to take down the
21 information that they need that they would need to enroll
22 the customer in the program, and be able to pass that
23 information on to the call center.

24 The call center, once they've sent the customer
25 over to the telephone carrier, they will have -- they will
26 ask questions of the customer, and then they will send them a
27 self-certification form. So it's not a telecommunications
28 carrier application.

1 And then formal definition of who is eligible for
2 ULTS. How do you define qualifying low-income households?

3 I did have some handouts up here that have
4 the income requirements. It's also available on
5 the Commission website. And also, in the brochure that we
6 provided copies of, the income requirements are also on
7 there. They're on just about every bit of collateral ULTS
8 information that is out there.

9 And that -- eligibility requirements are
10 reestablished by the Commission periodically. So those can
11 be changed.

12 On page 4, you've referenced Phase of
13 the campaign. Please explain what Phase 2 is about and who
14 conducted that component?

15 Phase 2 is the current contract that's being
16 carried out by Richard Heath and Associates. And you folks
17 all got a copy of their midterm report. So that should give
18 you an idea of what they've been doing in Phase 2.

19 Please explain the term "competitively neutral."
20 I explained that at the beginning of the workshop.

21 Is there anybody who came in late who did not get
22 the explanation of "competitively neutral"?

23 (Audience members raising their hand)

24 MS. MILLER: Oh, okay.

25 Competitively neutral is a term that we use to say
26 that we're not marketing Universal Lifeline Telephone Service
27 on behalf of any specific telecommunication carrier. So no
28 carrier gets preference over the other when a customer is

1 sent by the marketing side of the program over to the call
2 center. And if that customer does not have a particular
3 carrier that they know they want to choose for universal
4 lifeline telephone service, then the call center will
5 randomly generate a list of carriers for that customer to
6 choose from.

7 So the program is not marketing on behalf of any
8 telephone carrier. They're marketing on behalf of
9 the Commission and getting the word out about ULTS in
10 general.

11 And then: What role will wireless telephone
12 service play in our definition of Universal Lifeline
13 Telephone Service?

14 At this point in time, universal service is
15 defined as wireline service. And until the Commission
16 changes its definition of what constitutes universal service,
17 then we will be only looking at wireline service. We will
18 not be looking at wireless service.

19 So any additional questions on -- general RFP
20 questions?

21 MS. DELATORRE: Yes.

22 MS. MILLER: Okay. Go ahead.

23 MS. DELATORRE: This is Joely DeLaTorre.

24 My question specifically goes to why the decision
25 was made or how the decision was made to select one marketing
26 contractor for such a diverse population?

27 In particular, when -- I'm looking at the Native
28 American community again, which was just recently added, when

1 there are over a hundred tribes within distinct demographic,
2 social, and political backgrounds that could hinder some of
3 the informational background, is there an attempt, I guess,
4 to have maybe one marketing contractor with several
5 subcontractors, given the diversity of the clientele?

6 That's my question.

7 MS. MILLER: And the answer is yes; there is
8 the possibility for the one contractor to subcontract out
9 aspects of the program. And, in fact, the existing program
10 does utilize some subcontractors.

11 So if the one contractor has a particular area
12 that they think would be better handled by a subcontractor,
13 then they would make that arrangement on their own and
14 include that in their proposal to the Commission.

15 MS. DELATORRE: But there will be any attempt from
16 this point forward to separate any of the target populations
17 due to the distinction diversity?

18 MS. MILLER: Not that I am aware of.

19 MS. DELATORRE: Again, my concern is particular to
20 the American Indian community because of the federal legal
21 guidelines that surround that particular community as a
22 political entity versus an ethnic group.

23 MS. MILLER: Well, this is a state program. And we --
24 the target groups are based on their penetration rate in
25 telecommunications. So we're not looking at the federal
26 issues.

27 Now, if somebody representing that group is
28 particularly concerned about the issues regarding a certain

1 population, then they can certainly talk to the contractor
2 about that and see if there is a role to play in the overall
3 contract.

4 At this point in time, other than the public
5 purpose programs, I don't think that the Commission gives
6 particular focus or anything on interest groups other than
7 those identified in these groups.

8 I really -- I'm trying to understand what you
9 think would be needed to take care of the needs of the Native
10 American people.

11 MS. DELATORRE: Right, given that we have the lowest
12 penetration rate in North America in the United States. And
13 there has been some serious discussion and neglect because
14 states don't understand their role. The federal government
15 assumes that the states are handling this role. There's this
16 issue of jurisdiction.

17 MS. MILLER: Okay.

18 MS. DELATORRE: And tribes have been negated because
19 of this conflict of who has jurisdiction. Because we're
20 talking about federal land and the state-run program,
21 I wonder if this group would be better served separate
22 because of their political class status. And because of
23 the dynamics of their land, their legal -- and their legal
24 situation, there are jurisdictional issues and they cross
25 over.

26 I understand that this is a big program, but
27 because these communities reside primarily on -- they reside
28 on federal land, that becomes a very difficult and distinct

1 issue.

2 MS. MILLER: Well -- just a moment.

3 Yes. As my contract person just told me, this is
4 a policy issue.

5 No, there's nothing in the way the current program
6 is structured that would necessarily give any target group
7 priority over another. If there is concern about how a
8 certain group is being treated by telephone companies, then
9 that's something you should really bring up with the
10 Commissioners because it is a policy issue. And it would be
11 something that would have to be handled at a Commission
12 decision or resolution level, not here in a contract that
13 already has specific requirements for the contractor.

14 MS. DELATORRE: I guess, again what I'm stating
15 is when you're doing outreach and marketing, dealing with a
16 particular group that has particular legal issues, especially
17 in dealing with federal lands, to try and outreach to that
18 target group, it just seems that their special needs aren't
19 being addressed in this particular contract.

20 And perhaps this is a conversation we may want to
21 have off-line.

22 MS. MILLER: Yes. I think that would be appropriate.

23 And any potential contractor, any potential
24 proposer here, you know, certainly has the option to have
25 discussions with any subcontractor that they think may add to
26 their proposal so they're all now very aware of your concerns
27 about this target group.

28 But, yes; I think it would be better to have this

1 discussion off-line.

2 MS. DELATORRE: Thank you.

3 MS. MILLER: Okay. Yes. The lady in the back.

4 MS. WILCOX: Will we be able to receive --

5 MS. MILLER: Your name and company first.

6 MS. WILCOX: Dawn Wilcox with Ogilvy Public Relations.

7 Will we be able to receive a list of
8 the attendees?

9 MS. MILLER: Yes. That will be posted on the website
10 along with the transcript of this meeting.

11 MS. WILCOX: Okay. Two other quick questions
12 just to clarify the disabled veterans business enterprise.

13 If we put that into the bid at the 3 percent
14 level, do we still need to undertake the good faith outreach
15 effort?

16 MR. JEN: No. The good faith effort is required only
17 if you cannot achieve a 3 percent participation.

18 MS. WILCOX: And my final question is, and you may
19 have covered this in the time that I missed this morning,
20 about the call center: Are we supposed to outreach to them
21 and talk with them prior to submitting our bid, or are we
22 just supposed to assume that there will be a relationship
23 should we win the business?

24 MS. MILLER: You're supposed to assume that there will
25 be a relationship. And you're not supposed to be contacting
26 them and discussing the relationship with them prior to
27 submitting your proposal.

28 MS. WILCOX: So we don't need to identify or make

1 recommendations with that person. That that company's
2 already in place.

3 MS. MILLER: That's correct.

4 MS. WILCOX: Thank you.

5 MS. MILLER: Yes, ma'am.

6 MS. DAVIS: Darolyn Davis, Davis & Associates.

7 I notice that there isn't a requirement for use of
8 small businesses that are certified in the state of
9 California. Can you tell me a little bit about that?

10 It's a pretty large contract, though.

11 MR. JEN: It's not required to use small business, but
12 as all state contracts, we will give preferences to small
13 businesses. In accordance with state contract, small
14 businesses get a 5 percent preference.

15 MS. DAVIS: If you're the prime.

16 MR. JEN: If you are the prime, that is correct. You
17 have to be the prime. If you are subcontractor who has a
18 small business, that does not apply.

19 And according to the law, you have a preference up
20 to \$50,000. And there's a formula that we use in accordance
21 with state law on how that \$50,000 or up to \$50,000 can be
22 calculated.

23 MS. DAVIS: Go back to the \$50,000. There's a
24 preference?

25 MR. JEN: Yes. In the RFP, it should be stated. We
26 will give -- we do use the small business preference program.
27 And that's -- let me find a page -- that's on page 28 and 29.
28 And we will give a preference of up to \$50,000 for any small

1 primary small business proposal.

2 So, I can go into a quick explanation.

3 If, for example, the primary bidder, the lowest
4 bidder is, say, a \$100,000, a small business proposes
5 \$148,000, we can give up to a \$50,000 preference. Then the
6 \$148,000 small business will win the award.

7 MS. DAVIS: But you have to be the prime contractor.

8 MR. JEN: Exactly.

9 MS. DAVIS: So you have no benefit in a small
10 business, certified small business in the state as a
11 subcontractor.

12 MR. JEN: That is correct. For this RFP.

13 MR. SANTANA: I have a follow-up question. My name is
14 Juan Santana, Jungle Communications.

15 Is there a state requirement that, in proposals of
16 RFPs of this size, certified small businesses be considered
17 by main contractors?

18 MR. JEN: No. The only requirement in contracting
19 is disabled veteran business enterprises. All the other
20 programs are preference programs to help encourage, but those
21 are not only for primary -- for the businesses as a primary
22 contact.

23 Yes.

24 MR. MIROSHNICHENKO: Ilya Miroshnichenko Avantpage
25 Translations.

26 The question that I have is whether the prime
27 contractor can use the subcontractors that are in
28 the proposal or the prime can add additional subcontractors

1 during the actual contract?

2 MR. JEN: The question was, I guess, can we add
3 additional subcontractors --

4 MR. MIROSHNICHENKO: Right.

5 MR. JEN: -- afterwards?

6 You may, with the approval of the Commission.
7 Obviously, if they're not in the original proposal, they
8 can't be evaluated. So it's on a case-by-case basis with
9 each potential subcontractor.

10 MS. MILLER: Where are we at?

11 MR. JEN: I think we're still answering.

12 Are there any other questions?

13 MS. MILLER: Yes, sir.

14 MR. VILLET: Is this our last opportunity --

15 MS. MILLER: I'm sorry. State your name.

16 MR. VILLET: Jonathan Villet, OneWorld Communications.

17 Is this our last opportunity to pose questions?

18 MS. MILLER: Yes. Questions of substance. If it's a
19 question about who do we send our proposal to or anything
20 like that, you could still ask those questions. But
21 questions of substance yes, this is your last opportunity.

22 Yes.

23 MR. VILLET: I'd like to continue with a question.

24 This question -- I'm not an attorney, and this is
25 a kind of -- a legal question.

26 Our firm is fulfilling another contract for
27 the CPUC --

28 MR. JEN: Hold that thought. There's still another

1 section here for conflict of interest.

2 MR. VILLET: Oh.

3 MR. JEN: After that, we'll be done with all of our
4 questions that were submitted in advance. And then we'll
5 take general questions.

6 MS. MILLER: Any further general questions on the RFP?

7 (No response)

8 MS. MILLER: Any further questions from the folks on
9 the phone?

10 UNIDENTIFIED SPEAKER: Not from me.

11 MS. MILLER: Mr. Villet, I believe, has an additional,
12 general question.

13 MR. VILLET: Just a follow-up to what my colleague
14 here asked about subcontractors. Do you consider a
15 subcontractor to be --

16 For example, a freelance graphic artist who we
17 occasionally might employ as an independent contractor to
18 help us produce materials, do all of those freelance
19 individuals need to be listed and so it's described in our
20 RFP proposal with the assumption that there may be numerous
21 ones that we may wish to utilize?

22 MR. JEN: I would say yes.

23 And part of the reason is the PUC will write one
24 check, and that's to the primary contractor. It is up to the
25 primary contractor to pay their subcontractors.

26 And so if you are to send us a bill saying,
27 "I want you pay to this guy \$500 to subcontractor A," and we
28 look at our contract and see no one there as subcontractor A,

1 you may have a problem. We feel that that person is not
2 acceptable, especially if we did not approve them in advance.

3 So it is to your advantage that, when you submit
4 your proposal, tell us everyone who plans to work on the
5 project.

6 MR. VILLET: Well, then a follow-up is, if we do not
7 ask you to pay the subcontractor but merely pay us and we
8 will take care of things, that "subcontractor" then, do we
9 need to list them?

10 That is the present arrangement that we have under
11 other state contracts. We charge you an hourly rate for
12 certain services and we find the way of providing the quality
13 of the services.

14 MR. JEN: If that's part of your hourly rate and you
15 do this without us knowing, I don't see how we can really
16 enforce that.

17 MR. VILLET: All right.

18 MR. JEN: Of course, we may ask you, if we have a
19 question, "Produce this product for us," and you say "I have
20 to call someone else," then we may start asking questions
21 about it.

22 MR. VILLET: But if we are providing it as part of our
23 services to you, we are designing a brochure for you, and we
24 are billing our hourly rate for that, that's the end of the
25 story on that?

26 MR. JEN: I believe so.

27 MS. MILLER: I rely on Ivan for those types of
28 questions.

1 Any other general RFP questions?

2 (No response)

3 MS. MILLER: No. Then, we'll move on to the section
4 of conflict of interest.

5 And unfortunately, our conflict of interest
6 attorney is not able to join us today. He had a conflict in
7 scheduling, not an interest.

8 And I know that you -- I believe you have posed
9 this question directly to Mr. Dryvynsyde.

10 MR. VILLET: Correct.

11 MS. MILLER: Okay. And I know -- I believe that he
12 directed you to do a little more research within your
13 company.

14 What Jeff Dryvynsyde, who is our conflict of
15 interest attorney, asked us to do is if anybody has a
16 specific question, then they should send it to him directly,
17 and he'll post the answers on the Commission website.

18 There's no way that we could go through and
19 entertain every potential conflict of interest situation that
20 could arise, but we believe that section 4.3.2 is pretty
21 clear on the matter.

22 Mr. Villet has a particular concern because of a
23 side contract that they are doing which may or may not
24 constitute a relationship with a telecommunication carrier.
25 So the answer to that will be posted.

26 And if anybody has any specific conflict of
27 interest questions, then they should direct them to myself
28 and Ivan and Mr. Dryvynsyde, and he will try to answer them

1 to the best of his ability.

2 Does anybody have any general conflict of interest
3 questions that us nonlawyers might be able to field for you,
4 or is everybody pretty clear on that?

5 (No response)

6 MS. MILLER: Yes, Mr. Villet.

7 MR. VILLET: If we posed the question to
8 Mr. Dryvynsyde, that constitutes to all of you at the same
9 time?

10 I don't believe I copied all of you.

11 MS. MILLER: No. No. But we have received copies of
12 it.

13 Okay. As this is the last opportunity to ask
14 substantive questions, is there any question that we did not
15 address?

16 Yes.

17 MS. FLINT: Kendall Flint, Woodenship Advertising and
18 Public Affairs.

19 In the RFP, it says that you will not accept any
20 videotape or any other kind of audio/visual materials as
21 representative of work.

22 Is there a chance that you might want to
23 reconsider that, given that some of the deliverables on this
24 particular contract are in fact radio spots and/or television
25 spots and/or other media that might not fit in an 8-1/2 by 11
26 page?]

27 MS. MILLER: I'll get back to you on that.

28 I will take a look at that and get back to you on

1 that.

2 MS. FLINT: Thank you.

3 A VOICE: What was the question?

4 MS. MILLER: The question was the statement in the RFP
5 that said we would not accept videotapes or other media of
6 that sort of as examples of work and whether or not we would
7 want to reconsider that since media products may be of
8 interest to us given what we're asking for in the RFP, and I
9 said I would consider that and I would respond on the
10 website.

11 Yes, ma'am?

12 MS. HAZZARD: Maisha Hazard, Gem Communications Group.

13 THE REPORTER: Your name, again?

14 MS. HAZZARD: Maisha, M-a-i-s-h-a H-a-z-z-a-r-d, Gem
15 Communications Group.

16 I have a question about the contractors
17 relationship with the call center that you may have covered
18 just before I got here, and what I'm trying to understand,
19 the relationship between the contractor and the call center
20 in terms of who is in charge in terms of maintaining the
21 relationship and determining the messages and all of that, or
22 is it just a cooperative, collaborative relationship?

23 MS. MILLER: As we discussed earlier -- and I'll just
24 summarize it quickly in a nutshell because we did discuss
25 this extensively earlier, but if there are two separate
26 contractors, there is a relationship between the two. It's a
27 collaborative effort, and the Commission is the final
28 mediator if there was to be any issue.

1 The responsibilities do not overlap.

2 It's clear in the RFP was what the marketing,
3 outreach, and education contractor responsibilities are; and
4 the contract at issue today would not have any responsibility
5 over call center procedures, message, or anything. That
6 would be worked out by the call center.

7 And if there was an issue, you know, about the
8 message or something, that would be worked out
9 collaboratively between both contractors and the Commission.

10 Any other general questions?

11 (No response)

12 MS. MILLER: Okay. Is there anybody on the phone who
13 did not provide their name and phone number and company name
14 earlier?

15 MS. MC MURRAY: I did not. I called in midway.

16 My name is Mirissa McMurray, and I'm with Latino
17 Issues Forum.

18 MS. MILLER: And what is your phone number?

19 MS. MC MURRAY: (415) 901-1216.

20 That's not the line I called on, though.

21 MS. MILLER: No, no, no. That's fine.

22 We're just doing this for the sign-in list which
23 will be posted some time next week on the Commission website.

24 THE REPORTER: Would you spell your name for me,
25 please, your full name.

26 MS. MC MURRAY: M-i-r-i-s-s-a, McMurray,
27 M-c-M-u-r-r-a-y.

28 THE REPORTER: Thank you.

1 MS. MILLER: Okay. And the other attendees in this
2 room, please make sure that you put your name and address and
3 contact information on the sign-in list. So --

4 MR. LERMA: Are we still under general questions?

5 MR. JEN: Yes.

6 MR. LERMA: I've got one.

7 Manuel Lerma, L-e-r-m-a.

8 The current budget challenges the State of
9 California has, is there money set aside for those contracts?
10 Is there any chance of impact?

11 MS. MILLER: No, there is not any chance of impact.

12 The Commission received an exemption from
13 Department of Finance to fund all of the Commission public-
14 purpose programs, so there is money to fund this, and it is
15 in no danger of being taken away.

16 MR. LERMA: And the payment schedule will be applied
17 to that also?

18 The funding is totally separate, so the payment
19 schedule for the contract awarding -- it won't affect it as
20 well?

21 MS. MILLER: The terms of the contract and whatever
22 payment schedule is set in the contract will be secured.

23 The money for this contract is not at any risk of
24 being taken away by the --

25 MR. LERMA: By the Terminator.

26 (Laughter)

27 MS. MILLER: -- Sacramento.

28 (Laughter)

1 MR. LERMA: Thank you.

2 MS. MILLER: You're welcome.

3 Any other general questions?

4 Yes, ma'am?

5 MS. BROWN: Keisha Brown for Lagrant Communications.

6 MS. MILLER: Did you get that?

7 THE REPORTER: Yes.

8 MS. BROWN: I was looking at the Mid-Year Campaign
9 Report, and there's a column that talks about Total
10 Respondents and Total Referred. What's the difference
11 between the two?

12 MS. MILLER: You know, I'm not prepared to address --

13 A VOICE: What was the question?

14 MS. MILLER: Oh, the question was about the Mid-Term
15 Campaign Report that was available to folks here.

16 I am only prepared to answer questions that deal
17 with the RFP.

18 MS. BROWN: Okay.

19 MS. MILLER: This was just something to help you folks
20 out, but I'm not going to address questions on it.

21 MS. BROWN: Okay.

22 MS. MILLER: Any other questions?

23 Yes, Mr. Villet?

24 MR. VILLET: Sorry to ask such a basic question, but
25 can you describe in a nutshell the process by which people
26 enter into the ULTS program.

27 They call the call center, they receive
28 information, a brochure from the call center, fill it out,

1 and send it back in.

2 CBOs provide forms to be filled out and assist --
3 can you just, in a nutshell --

4 MS. MILLER: In a nutshell, how it currently exists
5 within this program is that the CBOs do the outreach to their
6 constituents; the constituents come in, the CBO educates them
7 about the requirements of the service, how it might benefit
8 them; then they work with the customer on getting the
9 information that the customer would need to enroll in the
10 service, they help determine that they are eligible.

11 They take this information, the CBO, and transfer
12 it to the call center; they assist the customer in getting in
13 contact with the call center.

14 The call center confirms the information, confirms
15 the eligibility, and then contacts the carrier that the
16 customer has chosen to set up service with.

17 If the carrier speaks the language that the
18 customer speaks, then the call center will pass that call off
19 to the carrier; if the carrier does not speak the language
20 that the customer speaks, then the call center will stay on
21 the line as an interpreter or translator.

22 Once the carrier gets the customer, they go
23 through the normal process which is, again, verify that they
24 are eligible, they set them up on the service, they also
25 will, you know, talk to them about any additional optional
26 services they may want, they send the customer a
27 self-certification form which must be back to the carrier in
28 a certain amount of time, and then the customer will

1 periodically get yearly recertification forms.

2 Yes, sir?

3 Your name?

4 MR. PEREZ: Jose Perez, Latino Journal.

5 Section 4.3.5 that dealt with Conflict of
6 Interest --

7 MS. MILLER: Uh-huh?

8 MR. PEREZ: -- 1) b), just looking at that, it says:
9 ... no Team Member will enter into any
10 contract or agreement with any
11 incumbent local exchange carrier or
12 competitive local exchange carrier
13 doing business in California for the
14 duration of this agreement.

15 Does that mean that you can't have phone
16 service?

17 MS. MILLER: No, sir, it does not mean you cannot have
18 phone service.

19 A VOICE: What is the question?

20 MS. MILLER: The gentleman was asking about whether or
21 not the prohibition against entering into contracts with the
22 telecommunication carrier included a potential proposer and
23 having phone service with the carrier, and the answer is no.

24 Any other questions?

25 (No response)

26 MS. MILLER: Okay. Then thank you all very much, and
27 this bidders conference is concluded.

28 (Whereupon, at the hour of 10:50 a.m.,
this bidding conference was concluded.)